

TO: COVID-19 Financial Advisory Committee (CFAC)

FROM: Shawn Keough, State Board of Education  
John Evans, Mayor of Garden City  
Melissa Wintrow, State Representative

DATE: May 28, 2020

SUBJECT: COVID19 Rental Assistance Recommendation

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Please submit public comments by  
5:00 p.m. MT, Wednesday, June 3<sup>rd</sup>,  
2020, to:

- [mwintrow@house.idaho.gov](mailto:mwintrow@house.idaho.gov)
- [CFAC@dfm.idaho.gov](mailto:CFAC@dfm.idaho.gov)

Members of CFAC,

After a deeper dive of citizens' housing needs related to COVID 19, we recommend that CFAC allocate CRF resources toward the Idaho Housing and Finance Association's (IHFA) *Housing Preservation Program* (outline included).

**We recommend authorizing IHFA to administer relief funds for emergency rental assistance.**

As a quasi-governmental agency created by statute and operating since 1972, IHFA has the capabilities to administer billions in financial transactions and program activities. IHFA will effectively and responsibly manage a program of this magnitude, thereby honoring the governor's mandate that CRF dollars are spent in a judicious and transparent way. Included in this packet is the IHFA program proposal that includes eligibility requirements, the application process, and how the funds would be disbursed (to the landlord or utility company). IHFA is well equipped to screen applications providing ample safeguards from fraud and has an established reporting mechanism to track all applicant data, while providing appropriate safeguards to privacy. IHFA is best equipped to provide a statewide consistent approach so people from rural Idaho to urban areas can access supports.

The subcommittee recommends that CFAC authorize \$15 million to IHFA's *Housing Preservation Program* with the stipulation that funds are accessed in \$5 million increments. For ease of administration, each capitalization of the fund will be made in full (e.g., full \$5 million to IHFA at a time). The next \$5 million will be authorized once the previous \$5 million's balance is below \$250,000, and unspent funds will be returned or not accessible (increments that hadn't been accessed yet). The committee may consider additional authorizations if continued need/demand is evident.

**Idahoans are experiencing significant needs for rental assistance.** Prior to the pandemic, Idaho vacancy rates were below two percent (2%) and over 74,000 households with incomes less than 80% area median income were housing cost-burdened (paying more than 30% of their income towards housing costs). The extent of financial challenges experienced by Idaho renters is undoubtedly much worse under the strain of the pandemic. Saint Alphonsus Health System (letter included) recognized an affordable housing crisis prior to COVID-19, and received almost 3,000 resident surveys from southwestern Idaho indicating **safe, affordable housing as their top significant health need**. Saint Als community resources database also reported that(as of May 26) **50% of online resource directory searches in Idaho were for housing** - specifically for rental/mortgage assistance, temporary housing needs, and help finding alternative housing as rents rapidly increase and/or individuals become displaced from their homes as a result of the pandemic. This is higher than the national average of 32% across the Trinity Health national region. As St Alphonsus notes, housing is health care; providing stability to stay in one's home during a contagious viral outbreak like COVID will increase health outcomes along with long term positive economic outcomes.

June 1, 2020

Coronavirus Financial Advisory Committee  
Attn: Housing, Rental Assistance Subcommittee

Re: Emergency Rental Assistance for Idahoans

Dear subcommittee members,

Idaho Housing and Finance Association (IHFA) exists to exercise public and essential governmental functions related to Idaho's affordable housing needs not satisfied through private enterprise. As a trusted and successful entity, IHFA has assisted countless Idahoans lacking the economic means to secure adequate, safe, decent, and sanitary housing.

IHFA has become aware of the rising risk of housing instability for many Idahoans as a result of financial hardship due to the current pandemic. In response to this growing need, we have developed and launched the Housing Preservation Program (HPP, see attached program criteria) with an initial contribution of \$250,000 from IHFA. HPP provides emergency rental assistance to households unable to cover their housing costs as a result of a COVID-19-related hardship. This program is designed to be easily accessible (via internet and telephone), flexible in its programming, and provide assistance statewide to all in need. We have developed the infrastructure for this program in such a way that it is scalable and responsive to the level of funding available. Additionally, as available funding diminishes, IHFA has the ability to prioritize assistance based on household circumstances and need.

We are pleased to offer the state of Idaho (urban and rural areas alike) the Housing Preservation Program, the most equipped mechanism to provide emergency rental assistance to those in need. However, initial funding is needed to make a substantive impact. We hope the subcommittee will consider recommending a significant contribution to the HPP to support the many Idahoans seeking housing stability.

Respectfully,

Brady Ellis  
Vice President, Housing Support Programs

## **Housing Preservation Program**

### **Eligibility**

- ✓ Citizenship: At least one household member must be a U.S. Citizen or a person legally able to reside in the U.S. (e.g., Visa, “green”, or Permanent Resident card).

**AND**

- ✓ Residency: The household must currently reside within the state of Idaho.

**AND**

- ✓ Housing Status: The household must be at risk of homelessness due to a COVID-19 related circumstance, to be defined as any circumstance that can reasonably be considered to be caused by the health, financial, or economic impact of the COVID-19 pandemic (including, but not limited to, domestic violence, loss of job, reduction of salary or work hours, inability to return to work or secure a new job, care for the health of a family member, and inability to secure childcare). The circumstance must have occurred between March 1, 2020 and December 30, 2020.

**AND**

- ✓ Income: The households must have an annual income below 80% of area median income.

### **Documentation Required**

- ✓ Driver’s license or state-issued picture ID (proof of identity and residency)
- ✓ Proof of income, or lack thereof
- ✓ Landlord notice of intent to terminate or delinquency notice, or notice of utility shut-off or intent to discontinue service
- ✓ Lease agreement

### **Eligible Costs**

- ✓ Short-term rent and utility assistance
- ✓ Security (including first or last month’s rent) and utility deposits for victims of domestic violence
- ✓ Lot rent and utilities for mobile homes

### **Ineligible Circumstances**

- ✓ Persons who are imprisoned or otherwise detained pursuant to an Act of Congress or State Law
- ✓ Persons living in subsidized housing or using a Housing Choice Voucher or equivalent, as well as expenses that have been or will be reimbursed under any federal program pursuant to the CARES Act (e.g., Emergency Solutions Grant, Community Development Block Grant, federal unemployment contributions, etc.).
- ✓ Persons who are renting from a relative, unless allowed through reasonable accommodation
- ✓ Persons with an ownership interest in the rental property

### **Amount of Assistance**

Each household may receive a maximum of 6 months of rental assistance (including monthly utility costs). Requests may be renewed on a monthly basis so as to evaluate continued need for assistance and prioritize each month's requests based on need.

IHFA has the capability of investigating whether applicants have received assistance from other public housing authorities, federally-assisted properties, or support programs federally-funded by the CARES Act.

## **Payments**

Payments will be made directly from IHFA to the landlord or utility company.

Given the expedient nature of the need for assistance to avoid eviction proceedings, the volume or requests, the amount of funding to be dedicated to this program, and IHFA's non-profit status, the Coronavirus Financial Advisory Committee should allow for a full up-front award directly to IHFA, who is a sophisticated financial institution capable of accounting for funds in a detailed and segregated manner.

## **Administration**

Program criteria may be changed based on demonstrated need, but will always remain for the purpose of assisting households with a COVID-19 related circumstance. Administrative fees of 5% may be claimed by the administering authority to cover direct and indirect operating expenses.

All program applications, household documentation, correspondence with applicants, and accounting records will be securely held by IHFA for no less than three years following the full expenditure of funds from any single funding source.

## **Reporting**

IHFA will make available, upon request, the following data points: total applications received; applications denied, approved and in process; total assistance paid by category (rent, utilities, or both); total persons assisted; and number of applications denied, approved and in process by region or county.

## **Access**

- ✓ Phone: 1-855-452-0801
- ✓ Online: <https://www.idahohousing.com/covid-19/>

## **Idaho Housing and Finance Association**

IHFA's 2019 Community Report: <https://communityreport.idahohousing.com/welcome>

IHFA's 2019 Community Impact Summary:

[https://communityreport.idahohousing.com/IHFA\\_Community\\_Report\\_Summary.pdf?\\_ga=2.25073914.1194680489.1590502167-821788198.1568995374](https://communityreport.idahohousing.com/IHFA_Community_Report_Summary.pdf?_ga=2.25073914.1194680489.1590502167-821788198.1568995374)

These items demonstrate IHFA's impact on housing and economic development throughout fiscal year 2019. They further demonstrate IHFA's capacity to operate effective and meaningful housing programs, execute accurate and accountable financial records, partner with a host of communities and organizations throughout Idaho and nationally, and respond to the housing needs of Idahoans as they change over time.

### **Housing Instability in Idaho**

#### **Prior To The Pandemic**

- 186,090 rental units
- 140,255 renter households earning 80% area median income or lower
- 74,820 renters earning 80% AMI were cost-burdened (pay more than 30% of income towards housing)

#### **Pandemic Need Projections**

Recognizing the immense impact closed businesses and the reduction in commerce would have on the economy, we knew housing stability would become very fragile for many Idahoans. Some Idaho renter need calculations (<https://turnercenter.berkeley.edu/blog/estimating-covid-19-impact-renters>, click on the 'APPENDIX' near the bottom) project that as high as \$130 million will be necessary to cover renter housing cost needs. More conservative estimates may be calculated by applying a rent delinquency rate to just 80% AMI renter households, or even to just those who were previously cost-burdened as follows:

- 80% AMI rent households
  - 140,255 units
  - 5% rent delinquency
  - \$1,300/mo
  - 3 months of assistance
  - \$27.3 million needed
- 80% AMI cost-burdened households
  - 74,820 units
  - 5% rent delinquency
  - \$1,300/mo
  - 3 months assistance
  - \$14.6 million

Need estimates should consider both previously existing rent-burdened and newly rent-burdened households, and need may extend further than 3 months. It is easy to see how quickly the need for rental assistance can manifest and grow.

Some additional factors to consider are: 1) stimulus payments were paid to many households during the month of April and likely assisted in covering some housing costs; 2) rent delinquency rates increased from 1-2% in April to 5% in May, and there is an expectation that rent delinquency rates will increase again in June; 3) lower-income earners with savings likely used much of their savings over the previous two months; 4) some businesses have reopened, but not all have, and the payment of wages can take some time to accrue and process; and 5) the unemployment program is overloaded and experiencing delays in processing.

IHFA believes the most prudent approach to providing emergency rental assistance is to approve an initial allocation of \$5 to \$15 million for emergency rental assistance to be deployed through the Housing Preservation Program. IHFA will monitor demand and expenditure of this initial award and can determine whether need for additional funding is demonstrated.